

THURROCK COUNCIL

PAY POLICY STATEMENT 2020/21

VERSION CONTROL SHEET

<i>Title:</i>	Pay Policy Statement 2020/21
<i>Purpose:</i>	To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.
<i>Owner:</i>	Human Resources & Organisational Development
<i>Approved by</i>	Council
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Thurrock Council Pay Policy Statement 2020/21

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1. Introduction

- 1.1 This Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year in order to improve transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a full Council meeting.
- 1.3 Thurrock Council has, in addition, been conducting a pay review with the intention of modernising and simplifying current pay arrangements. The outcomes of phase 1 of that project are contained in this pay policy.
- 1.4 Thurrock Council reserves the right to review, revise, amend or replace the content of this Statement from time to time to reflect service delivery needs and to comply with new legislation.

2. Scope

- 2.1 This Statement is applicable to both Council and school-based employees covered by the Council's Collective Agreement, and to senior officers. Youth workers, those on Soulbury contracts of employment and employees covered by TUPE are also included but their pay is determined by separate processes. This Statement does not apply to teachers, who are employed under separate terms and conditions.
- 2.2 For the purposes of this Statement, Thurrock's senior officers are the chief executive, corporate directors, directors and assistant directors.

3. Determination of pay grades and salary levels

Senior officers

- 3.1 The chief executive's and other senior officers' remuneration was determined in 2009. It was based on the median pay point of a market salary and reflected remuneration levels for comparable jobs in unitary authorities and London boroughs.
- 3.2 The 11 senior pay bands are shown in Appendix 1. Assistant directors are paid on the AD bands, ranging from points 1 to 15; directors and corporate directors are placed on a DIR pay band points 16 to 30 while the chief executive is on the CEX pay band: points 31 to 33.
- 3.3 Since 2010 annual, independent pay reviews have been conducted to reassess the salary levels that these pay bands should attract. These assessments take account of:
 - (a) **The type and size of Thurrock Council:** Thurrock is a medium sized, unitary council with a significant degree of complexity due to

its location, its changing demographics, its regeneration agenda and its complex external relations.

- (b) **The geographical location of Thurrock Council:** Located on the eastern boundaries of London and within easy commuting distance of London, the Council is competing in the same labour market as many London boroughs as well as Essex County Council and other unitary local authorities.
- (c) **The market for senior posts in Local Government:** In recent years many posts have become more demanding as a result of changes in legislation and public demand. This has led to a position whereby significant differences now exist regarding the remuneration attached to certain posts.
- (d) **Affordability:** Producing an affordable pay structure for senior managers is a principal aim of this policy.
- (e) **Transparency and clarity:** Thurrock Council is committed to establishing a pay structure which is clear, rational and able to withstand challenge.

Employees who are not senior officers

- 3.4 Employees other than senior officers are subject to the pay levels set out in the Council's Human Resources Framework Collective Bargaining Agreement which contains a single 'Thurrock Living Wage' grade for the lowest paid employees (excluding apprentices), plus 9 pay grades containing between 5 and 8 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation, using the GLPC job evaluation scheme.
- 3.5 All new or revised posts must be evaluated. This is done by trained evaluators in-house, as is common in other local authorities, using the GLPC job evaluation scheme. The results of any such evaluation are subject to moderation by the Council's Trade Union Board, which comprises of officers and trade union representatives and open to a fair and transparent appeals process.
- 3.6 Changes to this structure are being phased in over the next four years, as agreed with General Services Committee in October 2018, which will lead to bands of 6 points, meaning staff can progress through in 5 years, in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each Band). The pay structure in Appendix 3 reflect the second year of this transition.

4. Pay Progression

Senior officers

4.1 Senior officer pay bands contain three pay levels:

- i. A lower point – for a post-holder with sufficient competence or experience but with some development needs. This is expected to apply to some appointments at the time of recruitment.
- ii. A median point – for a fully competent and appropriately experienced/qualified post-holder. This is expected to apply to most appointments.
- iii. An upper point – for an exceptional post-holder. The difference between the median point and upper point will only be paid as an additional non-consolidated payment for 'exceptional' performance. Few post-holders will be rewarded at this level, which is based on the 75th percentile of the market data.

4.2 The award of an annual increase to points (ii) or (iii) above is subject to satisfactory job performance.

Employees who are not senior officers

4.3 New starters are paid in accordance with Section 16.6 of the council's recruitment policy which states; 'normally the pay point will be the minimum point of the band. Exceptions to this rule may be considered where the minimum point is below the candidate's current salary.'

4.4 Employees will receive an increase of one incremental point each year, effective from 1st April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months' service before 1st April; (iii) are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.

4.5 Employees who are protected under TUPE arrangements will be paid according to their contract of employment.

5. Cost of living pay increases

Senior officers

5.1 The annual, independent market assessment conducted in December 2019 recommended there should be a 2% cost of living pay increase for senior officers in 2020/21.

Employees who are not senior officers

- 5.2 Under the Human Resources Framework Collective Bargaining Agreement 2019, the Council agreed to remove the historical link to National Joint Council for Local Government (NJC) pay increases and for the pay increases to be determined via “a locally agreed decision with reference to the National Negotiating committee (NJC) recommendations, an independent pay review (commissioned annually by the Council), budget availability and the UK Living Wage”. This applies to all employees other than senior officers.
- 5.3 The annual independent assessment conducted in December 2019 recommended a 2% cost of living pay increase.

6. Lowest paid employees

- 6.1 For the purposes of this Statement, employees on the lowest grade of the Council’s pay structure are classed as the lowest paid employees. The only employees paid at a lower rate than the Thurrock Living Wage are apprentices (see paragraph 7).
- 6.2 The Thurrock Living Wage pay point and grade are the Council’s minimum pay point with hourly pay set to £9.24 from the 1st April 2020.

7. Apprentices

The starting pay for Council apprentices is the national minimum wage or national living wage according to their age at the point of recruitment. The lowest pay rate for apprentices aged 16 -17 years old will be £4.55 from 1 April 2020. The full range of NMW/NLW rates for 2020/21 are set out at Appendix 3.

8. Pay Multiple

- 8.1 Calculations were made using 2020/21 pay scales which show the pay ratios between the chief executive’s salary and the average salary of the workforce are as follows:

Chief Executive: mean salary of the workforce = 1:6

Chief Executive: median salary of the workforce = 1:7.5

- 8.2 These ratios were calculated from the median chief executive salary level of £182,000; the mean salary of all staff other than the chief executive of £29,155 and the median salary of all staff other than the chief executive of £23,788.

9. Acting up payments

- 9.1 For acting up or additional duties arrangements, an individual will be paid at the lowest point of the band being acted into, or one pay point higher than their substantive pay point if pay bands overlap.
- 9.2 Management do however have the discretion to award an acting up or additional duties allowance up to a maximum of 5 additional points from the employee's substantive pay point. The rationale for payment is subject to approval by the Councils Pay and Reward Board and evidence should be clearly documented on the employee's personal file.
- 9.3 Secondments are subject to the same pay allowances as stated above, however managers can make secondment arrangements according to the needs of their service are these are not subject to approval by the Council's Pay and Reward Board. Further details can be found in the Secondment policy.

10. Other payments

- 10.1 The Council pays business user car allowances to single status staff who meet specific criteria relating to the frequency and type of business journeys they are expected to undertake. There are three levels of business user allowance: £1,149, £600 and £300 per annum. Any employee using their own vehicle for work purposes is eligible to claim 40p per mile. Business User Allowance is due to be reviewed and any future changes will be consulted on and included within future pay policy statements.
- 10.2 A car allowance is consolidated into the senior officer pay rates given in Appendix 1. In addition, senior officers receive a mileage payment of 10p per mile.
- 10.3 The Council has an employee relocation package, available to all new employees, subject to eligibility criteria.
- 10.4 The Council does not operate a bonus scheme for any employees, nor does it offer any other informal benefits to its senior officers
- 10.5 On occasions, for posts below senior officer level, temporary market supplements may be paid where difficult market conditions lead to recruitment and retention problems. Such supplements must be agreed by the Council's Trade Union Board.

11. Contractors and consultants

- 11.1 Should the Council engage the services of an individual at senior officer level under a contract for services (i.e. not on the Council's payroll), the level of remuneration paid to the contractor, consultant or agency employing them will not exceed the equivalent salary points outlined in Appendix 1.
- 11.2 In exceptional circumstances, and with the express approval of the chief executive, a contractor or consultant at senior officer level may be

engaged at a pay rate outside of the equivalent salary point in Appendix 1

12. Appointment of senior officers

12.1 Full Council will agree the appointment of all permanent Directors and Assistant Directors.

13. Payment on termination, and re-engagement of officers

13.1 In the event of redundancy or the early retirement of any employee, the Council will pay its standard severance payments within the discretions of the Local Government Pension Regulations.

13.2 In exceptional circumstances and where it represents best value for the Council, additional payments may be made to comply with the terms of a settlement agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.

13.3 The Council will not normally re-engage, either in a contract of employment or a contract for services, any officer who has previously been paid a discretionary payment (via a settlement agreement or retirement package) on leaving the Council's employment. Only in exceptional circumstances, and with the agreement of the Chief Executive and the General Services Committee, will such an arrangement be sanctioned.

13.4 The Government is introducing, through the Small Business, Enterprise and Employment Act 2015, a £95k cap on "exit payments". Regulations will be inserted by the Enterprise Bill 2015-2016 and a date for implementation was expected in 2016. This will limit the amount a public sector worker could be paid for losing their job to £95k. The regulation has been delayed and is now due to be laid before Parliament in the New Year. The regulations will apply to all staff but predominately high earners and will cover:

- Redundancy payments
- Payments on voluntary exits
- Pension strain costs
- Severance or ex-gratia payments
- Payment for outstanding entitlement
- Compensation under the terms of a contract
- Pay in lieu of notice
- Any other payments made as a result of loss of employment

13.5 A different set of regulations, the Repayment of Public Sector Exit Payment Regulations should have come into force on the 1st April 2016, however implementation has been substantially delayed, however is still awaited. It sets out the liability to repay any exit payment if the exit payee

returns to the same 'sub-sector' within 12 months of receiving the payment. If they return to the same sub-sector within 28 days the whole amount is due, thereafter tapering arrangements become operational. Full Council may exercise a waiver to exclude such a repayment. If a waiver is issued it must be published along with the reasons for doing so in the preceding twelve months at the beginning of a financial year or published in the annual accounts. Guidance is awaited on the exercise of a waiver. If reclaimed an exit repayment is made to the 'old' employer and the sum passed through to the Treasury.

14. Mandatory Gender Pay Reporting

As of April 2017, all organisations with more than 250 employees must produce data on the gender pay gaps of their employees. The deadline for the Council to report this date is 30 March each year.

15. Transparency code

In accordance with Government guidelines¹, the council publishes details of senior managers' pay on its website.²

16. Publication of information

This Statement will be published on the Council's website. Any in-year changes to this Statement will be published in the same way following full Council approval.

Appendix 1 - Senior Manager Pay Scales 2020/21

50/50%

50/50%
Median Base

50/50%

¹ 'Local Government Transparency Code 2014' published by DCLG: [Transparency Code](#)

² <https://www.thurrock.gov.uk/what-we-publish/local-government-transparency-code>

	Lower Base Pay		Pay		Higher Base Pay	
	SCP	Annual Pay £	SCP	Annual Pay £	SCP	Annual Pay £
CEX	31	166,500	32	182,000	33	194,500
DIR5	28	129,000	29	141,000	30	150,500
DIR4	25	121,000	26	134,000	27	141,000
DIR3	22	112,500	23	125,000	24	128,000
DIR2	19	100,500	20	110,000	21	115,500
DIR1	16	93,500	17	104,500	18	107,000
AD5	13	90,500	14	100,000	15	104,000
AD4	10	88,500	11	97,000	12	99,500
AD3	7	83,000	8	93,000	9	96,000
AD2	4	78,000	5	86,000	6	90,500
AD1	1	73,500	2	78,000	3	86,000

Appendix 2: National Minimum and Living Wage Rates 2020/21

	Age 25 and over	Age 21 to 24	Age 18 to 20	Age under 18	Apprentice Rate
Rates from April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

Appendix 3: Collective Agreement Pay Chart 2020/2021

Grade	Pay Point	2020/21 rate per hour		2020/21 salary	
I	54		£ 39.91		£ 76,992
	53		£ 38.74		£ 74,748
	52		£ 34.40		£ 72,564
	51		£ 36.39		£ 70,437
	50		£ 35.44		£ 68,370
	49		£ 34.40		£ 66,363
H	48	£ 33.39		£ 64,416	
	47	£ 32.41		£ 62,526	
	46	£ 31.46		£ 60,696	
	45	£ 30.54		£ 58,923	
	44	£ 29.65		£ 57,213	
	43	£ 28.80		£ 55,557	
	42	£ 27.97	£ 27.97	£ 53,964	£ 53,964
G	41		£ 27.15		£ 52,371
	40		£ 26.35		£ 50,835
	39		£ 25.58		£ 49,359
	38		£ 24.85		£ 47,943
	37		£ 24.11		£ 46,524
	36		£ 23.41		£ 45,168
	35	£ 22.74	£ 22.74	£ 43,869	£ 43,869
F	34	£ 22.07		£ 42,570	
	33	£ 21.42		£ 41,328	
	32	£ 20.81		£ 40,149	
	31	£ 20.20		£ 38,967	
	30	£ 19.62		£ 37,845	
	29	£ 19.03		£ 36,723	
	28	£ 18.48	£ 18.48	£ 35,661	£ 35,661
E	27		£ 17.93		£ 34,599
	26		£ 17.41		£ 33,594
	25		£ 16.89		£ 32,592
	24		£ 16.40		£ 31,647
	23		£ 15.91		£ 30,702
	22	£ 15.45	£ 15.45	£ 29,817	£ 29,817
D	21	£ 14.99		£ 28,929	
	20	£ 14.57		£ 28,104	
	19	£ 14.14		£ 27,279	
	18	£ 13.74		£ 26,511	
	17	£ 13.34		£ 25,743	
	16	£ 12.95	£ 12.95	£ 24,975	£ 24,975
C	15		£ 12.58		£ 24,267
	14		£ 12.21		£ 23,559
	13		£ 11.97		£ 23,085
	12	£ 11.72	£ 11.72	£ 22,614	£ 22,614
B	11	£ 11.48		£ 22,140	
	10	£ 11.26		£ 21,726	
	9	£ 11.05		£ 21,315	
	8	£ 10.83		£ 20,901	
	7	£ 10.62		£ 20,487	
	6	£ 10.41	£ 10.41	£ 20,076	£ 20,076
A	5		£ 10.19		£ 19,662
	4		£ 9.98		£ 19,248
	3		£ 9.79		£ 18,894
	2		£ 9.61		£ 18,540
	1		£ 9.43		£ 18,186
TLW	TLW	£ 9.24		£ 17,832	